

Members:

Rep. Craig Fry, Chairman
Sen. Richard Worman

Lay Members

Liz Carroll
D. Sue Roberson
Anne Doran
John Gerni

LSA Staff:

Robert Rudolph, Attorney for the Committee
Susan Cullen, Attorney for the Committee
Al Gossard, Fiscal Analyst for the Committee

Authority: P.L. 249-1997



DEPARTMENT OF INSURANCE PAY STUDY COMMITTEE

**Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 232-9588 Fax: (317) 232-2554**

MEETING MINUTES

Meeting Date: October 13, 1998
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St.,
Room 156C
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Representative Craig Fry, Chairman; Senator Richard Worman;
Liz Carroll; D. Sue Roberson; Ann Doran; John Gerni.

Members Absent: None.

Call to Order

The Chair called the meeting to order at 10:10 a.m.

Distribution of Materials

Staff distributed and briefly described the following materials to Committee members:

1. A copy of the National Association of Insurance Commissioners "1996 Insurance Department Resources Report".¹

1. The report is protected by copyright and may be obtained from the National Association of Insurance Commissioners. The cost of the report is \$45. The NAIC Web Site indicates that the report can be ordered by mail by sending an order prepaid to "NAIC - Publications, P.O. Box 87-7870, Kansas City, MO 64187-7870", by phone by calling (816) 374-7259, Monday through Friday, 8:30 a.m. to 5:00 p.m. (CST), by fax by dialing (816) 471-7004 with a cover memo addressed to "Publications Department", or through the Internet at <http://www.naic.org>.

2. A copy of IC 27-1-3-28 which establishes the Department of Insurance Fund.²
3. A memorandum from staff to Committee members summarizing a salary survey of the 12 largest law firms in Indianapolis and a lawyer compensation study conducted nationwide.³
4. A copy of the staffing report for the Department of Insurance as of 9/30/98.⁴

Testimony and Committee Discussion

The Chair recognized the Insurance Commissioner, Sally McCarty. Ms. McCarty said that the Department and the State Personnel Department have been working since the previous meeting to determine what staffing levels and salary adjustments work best for the Department of Insurance. She gave Committee members the Insurance Department's organizational chart⁵ and a summary of the pay study.⁶

Ms. McCarty said that the Department could probably not physically accommodate an additional 20 staff members as discussed during the previous meeting. She reviewed the summary of the pay study, noting that the general counsel position would be reclassified to make the position compatible with analogous positions in other state agencies. The reclassification would increase the salary for the general counsel position by 15%. Ms. McCarty said that the Department's entire legal division was studied and reclassified. She also discussed the actions taken to improve the salaries of Department employees at the bottom of the pay scale.

Mr. Gerni asked about the changes to the duties of the securities program director. Ms. McCarty responded that the general function of the position was the same but additional duties were added. For example, the individual in this position will assist with examiner interviews.

Senator Worman asked whether the newly increased salaries are comparable to the pay of similar positions in the Department of Financial Institutions. Ms. Roberson responded that the new attorney salaries more closely matched salaries paid by the Department of Natural Resources and the Department of Environmental Management. Senator Worman asked whether the salaries paid to clerical staff are sufficient given that entry level positions in the private sector are higher. Ms. McCarty responded that the Department was seeing an adequate number of qualified applicants for vacant positions, noting that the benefit package the state

2. A copy of the statute is on file in the Legislative Information Center, Room 230 of the State House, Indianapolis, Indiana. The telephone number of the Legislative Information Center is (317) 232-9856, and the mailing address is 200 W. Washington St., Suite 301, Indianapolis, Indiana 46204-2789.

3. A copy of the memo is on file with the Legislative Information Center (see footnote #2).

4. A copy of the staffing report is on file with the Legislative Information Center (see footnote #2).

5. A copy of the organizational chart is on file with the Legislative Information Center (see footnote #2).

6. A copy of the summary entitled "1998 Department of Insurance Pay Study" is on file with the Legislative Information Center (see footnote #2).

offers compensates somewhat for lower entry level salaries.

Representative Fry asked whether the Department would be able to fill its vacant positions. Ms. McCarty responded she is optimistic that the changes that have been and will be made will give her the ability to fill vacancies. Representative Fry expressed concern about use of the Department of Insurance Fund. He stated that the General Assembly created the fund so that improvements could be made to Department personnel structure. He stressed that the fund was not intended to be used to supplement the Department's ongoing operating expenses. Ms. McCarty responded that she believes the fund is being used for its intended purpose, noting that acquisition of a new computer system which cost \$50,000 helped improve staff efficiency. Representative Fry expressed appreciation to Ms. Roberson for the work that she and the State Personnel Department have accomplished with the Department of Insurance.

Mr. Gerni asked whether it was accurate that while there had been consideration given to increasing the number of positions in the Department and reclassifying existing positions, since the previous meeting it has been determined that the best results can be accomplished through salary increases without a substantial increase in the number of staff. Ms. McCarty replied that Mr. Gerni's summary was accurate and added that the Department will be able to increase the number of staff by filling currently vacant positions. The Department will not need to increase the number of positions above those now authorized. She said that realignment of the Department's personnel structure has been completed.

Committee members expressed satisfaction with the progress that had been made. Representative Fry stated that he did not anticipate a need for additional Committee meetings.

Adjournment

The Chair adjourned the meeting at approximately 10:40 a.m.